

.....
(Original Signature of Member)

107TH CONGRESS
2^D SESSION

H. R. _____

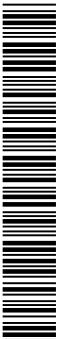
IN THE HOUSE OF REPRESENTATIVES

Mr. SHAW (for himself, Mr. MATSUI, Mr. BECERRA, Mr. BRADY of Texas, Mr. HAYWORTH, Mr. HERGER, Mr. LEWIS of Kentucky, Mr. POMEROY, and Mr. RYAN of Wisconsin) introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Social Security Act and the Internal Revenue Code of 1986 to provide additional safeguards for Social Security and Supplemental Security Income beneficiaries with representative payees, to enhance program protections, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*



1 **SEC. 1. SHORT TITLE AND TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Social Security Program Protection Act of 2002”.

4 (b) TABLE OF CONTENTS.—The table of contents is
5 as follows:

Sec. 1. Short title and table of contents.

TITLE I—PROTECTION OF BENEFICIARIES

Subtitle A—Representative Payees

Sec. 101. Authority to reissue benefits misused by organizational representative payees.

Sec. 102. Oversight of representative payees.

Sec. 103. Disqualification from service as representative payee upon conviction of offenses resulting in imprisonment for more than 1 year and upon fugitive felon status.

Sec. 104. Fee forfeiture in case of benefit misuse by representative payees.

Sec. 105. Liability of representative payees for misused benefits.

Sec. 106. Authority to redirect delivery of benefit payments when a representative payee fails to provide required accounting.

Subtitle B—Enforcement

Sec. 111. Civil monetary penalty authority with respect to wrongful conversions by representative payees.

TITLE II—PROGRAM PROTECTIONS

Sec. 201. Civil monetary penalty authority with respect to knowing withholding of material facts.

Sec. 202. Disqualification from eligibility for trial work period upon criminal, civil, or administrative finding of fraudulent concealment of work activity.

Sec. 203. Denial of title II benefits to fugitive felons and persons fleeing prosecution.

Sec. 204. Requirements relating to offers to provide for a fee a product or service available without charge from the Social Security Administration.

Sec. 205. Refusal to recognize certain individuals as claimant representatives.

Sec. 206. Penalty for corrupt or forcible interference with administration of Social Security Act.

TITLE III—ATTORNEY FEE PAYMENT SYSTEM IMPROVEMENTS

Sec. 301. Cap on attorney assessments.

Sec. 302. Extension of attorney fee payment system to title XVI claims.

Sec. 303. Effective date of title.

TITLE IV—MISCELLANEOUS AND TECHNICAL AMENDMENTS



3

Subtitle A—Amendments Relating to the Ticket to Work and Work
Incentives Improvement Act of 1999

- Sec. 401. Application of demonstration authority sunset date to new projects.
- Sec. 402. Expansion of waiver authority available in connection with demonstration projects providing for reductions in disability insurance benefits based on earnings.
- Sec. 403. Funding of demonstration projects provided for reductions in disability insurance benefits based on earnings.
- Sec. 404. Availability of Federal and State work incentive services to additional individuals.
- Sec. 405. Technical amendment clarifying treatment for certain purposes of individual work plans under the Ticket to Work and Self-Sufficiency Program.

Subtitle B—Miscellaneous Amendments

- Sec. 411. Elimination of transcript requirement in remand cases fully favorable to the claimant.
- Sec. 412. Nonpayment of benefits upon removal from the United States.
- Sec. 413. Reinstatement of certain reporting requirements.
- Sec. 414. Use of symbols, emblems, or names in reference to social security or medicare.
- Sec. 415. Clarification of definitions regarding certain survivor benefits.
- Sec. 416. Optional methods for computing net earnings from self-employment.
- Sec. 417. Clarification respecting the FICA and SECA tax exemptions for an individual whose earnings are subject to the laws of a totalization agreement partner.

Subtitle C—Technical Amendments

- Sec. 431. Technical correction relating to responsible agency head.
- Sec. 432. Technical correction relating to retirement benefits of ministers.
- Sec. 433. Technical corrections relating to domestic employment.
- Sec. 434. Technical corrections of outdated references.
- Sec. 435. Technical correction respecting self-employment income in community property States.

1 **TITLE I—PROTECTION OF**

2 **BENEFICIARIES**

3 **Subtitle A—Representative Payees**

4 **SEC. 101. AUTHORITY TO REISSUE BENEFITS MISUSED BY**

5 **ORGANIZATIONAL REPRESENTATIVE PAYEES.**

6 (a) TITLE II AMENDMENTS.—

7 (1) REISSUANCE OF BENEFITS.—Section

8 205(j)(5) of the Social Security Act (42



1 U.S.C. 405(j)(5)) is amended by inserting after the
2 first sentence the following new sentences: “In any
3 case in which a representative payee—

4 “(i) that is not an individual (regardless of
5 whether it is a ‘qualified organization’ within the
6 meaning of paragraph (4)(B)); or

7 “(ii) is an individual who, for any month during
8 a period when misuse occurs, serves 15 or more indi-
9 viduals who are beneficiaries under this title, title
10 VIII, title XVI, or any combination of such titles;
11 misuses all or part of an individual’s benefit paid to such
12 representative payee, the Commissioner of Social Security
13 shall certify for payment to the beneficiary or the bene-
14 ficiary’s alternative representative payee an amount equal
15 to the amount of such benefit so misused. The provisions
16 of this paragraph are subject to the limitations of para-
17 graph (7)(B).”.

18 (2) MISUSE OF BENEFITS DEFINED.—Section
19 205(j) of such Act (42 U.S.C. 405(j)) is amended
20 by adding at the end the following new paragraph:
21 “(8) For purposes of this subsection, misuse of bene-
22 fits by a representative payee occurs in any case in which
23 the representative payee receives payment under this title
24 for the use and benefit of another person and converts
25 such payment, or any part thereof, to a use other than



1 for the use and benefit of such other person. The Com-
2 missioner of Social Security may prescribe by regulation
3 the meaning of the term ‘use and benefit’ for purposes
4 of this paragraph.”.

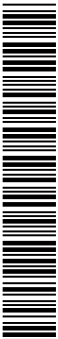
5 (b) TITLE VIII AMENDMENTS.—

6 (1) REISSUANCE OF BENEFITS.—Section 807(i)
7 of the Social Security Act (42 U.S.C. 1007(i)) is
8 amended by inserting after the first sentence the fol-
9 lowing new sentences: “In any case in which a rep-
10 resentative payee—

11 “(A) that is not an individual; or

12 “(B) is an individual who, for any month
13 during a period when misuse occurs, serves 15
14 or more individuals who are beneficiaries under
15 this title, title II, title XVI, or any combination
16 of such titles;

17 misuses all or part of an individual’s benefit paid to
18 such representative payee, the Commissioner of So-
19 cial Security shall pay to the beneficiary or the bene-
20 ficiary’s alternative representative payee an amount
21 equal to the amount of such benefit so misused. The
22 provisions of this paragraph are subject to the limi-
23 tations of subsection (l)(2).”.



1 (2) MISUSE OF BENEFITS DEFINED.—Section
2 807 of such Act (42 U.S.C. 1007) is amended by
3 adding at the end the following new subsection:

4 “(j) MISUSE OF BENEFITS.—For purposes of this
5 title, misuse of benefits by a representative payee occurs
6 in any case in which the representative payee receives pay-
7 ment under this title for the use and benefit of another
8 person and converts such payment, or any part thereof,
9 to a use other than for the use and benefit of such other
10 person. The Commissioner of Social Security may pre-
11 scribe by regulation the meaning of the term ‘use and ben-
12 efit’ for purposes of this subsection.”.

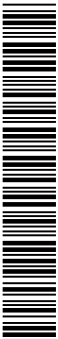
13 (3) TECHNICAL AMENDMENT.—Section 807(a)
14 of such Act (42 U.S.C. 1007(a)) is amended, in the
15 first sentence, by inserting “use and” before “ben-
16 efit”.

17 (c) TITLE XVI AMENDMENTS.—

18 (1) REISSUANCE OF BENEFITS.—Section
19 1631(a)(2)(E) of such Act (42
20 U.S.C. 1383(a)(2)(E)) is amended by inserting
21 after the first sentence the following new sentences:

22 “In any case in which a representative payee—

23 “(i) that is not an individual (regardless of
24 whether it is a ‘qualified organization’ within the
25 meaning of subparagraph (D)(ii)); or



1 “(ii) is an individual who, for any month during
2 a period when misuse occurs, serves 15 or more indi-
3 viduals who are beneficiaries under this title, title II,
4 title VIII, or any combination of such titles;
5 misuses all or part of an individual’s benefit paid to the
6 representative payee, the Commissioner of Social Security
7 shall make payment to the beneficiary or the beneficiary’s
8 alternative representative payee of an amount equal to the
9 amount of the benefit so misused. The provisions of this
10 subparagraph are subject to the limitations of subpara-
11 graph (H)(ii).”.

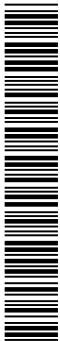
12 (2) EXCLUSION OF REISSUED BENEFITS FROM
13 RESOURCES.—Section 1613(a) of such Act (42
14 U.S.C. 1382b(a)) is amended—

15 (A) in paragraph (12), by striking “and”
16 at the end;

17 (B) in paragraph (13), by striking the pe-
18 riod and inserting “; and”; and

19 (C) by inserting after paragraph (13) the
20 following new paragraph:

21 “(14) for the 9-month period beginning after
22 the month in which received, any amount received by
23 such individual (or spouse) or any other person
24 whose income is deemed to be included in such indi-
25 vidual’s (or spouse’s) income for purposes of this

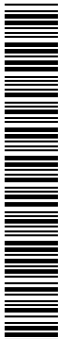


1 title as restitution for benefits under this title, title
2 II, or title VIII that a representative payee of such
3 individual (or spouse) or such other person under
4 section 205(j), 807, or 1631(a)(2) has misused.”.

5 (3) MISUSE OF BENEFITS DEFINED.—Section
6 1631(a)(2)(A) of such Act (42
7 U.S.C. 1383(a)(2)(A)) is amended by adding at the
8 end the following new clause:

9 “(iv) For purposes of this paragraph, misuse of bene-
10 fits by a representative payee occurs in any case in which
11 the representative payee receives payment under this title
12 for the use and benefit of another person and converts
13 such payment, or any part thereof, to a use other than
14 for the use and benefit of such other person. The Com-
15 missioner of Social Security may prescribe by regulation
16 the meaning of the term ‘use and benefit’ for purposes
17 of this clause.”.

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to any case of benefit misuse by
20 a representative payee with respect to which the Commis-
21 sioner makes the determination of misuse on or after Jan-
22 uary 1, 1995.



1 **SEC. 102. OVERSIGHT OF REPRESENTATIVE PAYEES.**

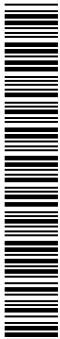
2 (a) CERTIFICATION OF BONDING AND LICENSING
3 REQUIREMENTS FOR NONGOVERNMENTAL ORGANIZA-
4 TIONAL REPRESENTATIVE PAYEES.—

5 (1) TITLE II AMENDMENTS.—Section 205(j) of
6 the Social Security Act (42 U.S.C. 405(j)) is
7 amended—

8 (A) in paragraph (2)(C)(v), by striking “a
9 community-based nonprofit social service agen-
10 cy licensed or bonded by the State” in sub-
11 clause (I) and inserting “a certified community-
12 based nonprofit social service agency (as de-
13 fined in paragraph (9))”;

14 (B) in paragraph (3)(F), by striking “com-
15 munity-based nonprofit social service agencies”
16 and inserting “certified community-based non-
17 profit social service agencies (as defined in
18 paragraph (9))”;

19 (C) in paragraph (4)(B), by striking “any
20 community-based nonprofit social service agen-
21 cy which is bonded or licensed in each State in
22 which it serves as a representative payee” and
23 inserting “any certified community-based non-
24 profit social service agency (as defined in para-
25 graph (9))”; and



1 (D) by adding after paragraph (8) (as
2 added by section 201(a)(2) of this Act) the fol-
3 lowing new paragraph:

4 “(9) For purposes of this subsection, the term ‘cer-
5 tified community-based nonprofit social service agency’
6 means a community based nonprofit social service agency
7 which is in compliance with requirements, under regula-
8 tions which shall be prescribed by the Commissioner, for
9 annual certification to the Commissioner that it is bonded
10 in accordance with requirements specified by the Commis-
11 sioner and that it is licensed in each State in which it
12 serves as a representative payee (if licensing is available
13 in such State) in accordance with requirements specified
14 by the Commissioner. Any such annual certification shall
15 include a copy of any independent audit on such agency
16 which may have been performed since the previous certifi-
17 cation.”

18 (2) TITLE XVI AMENDMENTS.—Section
19 1631(a)(2) of such Act (42 U.S.C. 1383(a)(2)) is
20 amended—

21 (A) in subparagraph (B)(vii), by striking
22 “a community-based nonprofit social service
23 agency licensed or bonded by the State” in sub-
24 clause (I) and inserting “a certified community-



1 based nonprofit social service agency (as de-
2 fined in subparagraph (I))”;

3 (B) in subparagraph (D)(ii)—

4 (i) by striking “or any community-
5 based” and all that follows through “in ac-
6 cordance” in subclause (II) and inserting
7 “or any certified community-based non-
8 profit social service agency (as defined in
9 subparagraph (I)), if the agency, in ac-
10 cordance”;

11 (ii) by redesignating items (aa) and
12 (bb) as subclauses (I) and (II), respectively
13 (and adjusting the margination accord-
14 ingly); and

15 (iii) by striking “subclause (II)(bb)”
16 and inserting “subclause (II)”;

17 (C) by adding at the end the following new
18 subparagraph:

19 “(I) For purposes of this paragraph, the term ‘cer-
20 tified community-based nonprofit social service agency’
21 means a community based nonprofit social service agency
22 which is in compliance with requirements, under regula-
23 tions which shall be prescribed by the Commissioner, for
24 annual certification to the Commissioner that it is bonded
25 in accordance with requirements specified by the Commis-



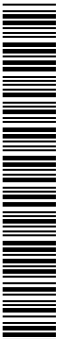
1 sioner and that it is licensed in each State in which it
2 serves as a representative payee (if licensing is available
3 in the State) in accordance with requirements specified by
4 the Commissioner. Any such annual certification shall in-
5 clude a copy of any independent audit on the agency which
6 may have been performed since the previous certifi-
7 cation.”.

8 (3) EFFECTIVE DATE.—The amendments made
9 by this subsection shall take effect on the first day
10 of the thirteenth month beginning after the date of
11 the enactment of this Act.

12 (b) PERIODIC ONSITE REVIEW.—

13 (1) TITLE II AMENDMENT.—Section 205(j)(6)
14 of such Act (42 U.S.C. 405(j)(6)) is amended to
15 read as follows:

16 “(6)(A) The Commissioner of Social Security shall
17 provide for the periodic onsite review of any person or
18 agency that receives the benefits payable under this title
19 (alone or in combination with benefits payable under title
20 VIII or title XVI) to another individual pursuant to the
21 appointment of such person or agency as a representative
22 payee under this subsection, section 807, or section
23 1631(a)(2) in any case in which—



1 “(i) the representative payee is a person who
2 serves in that capacity with respect to 15 or more
3 such individuals;

4 “(ii) the representative payee is a certified com-
5 munity-based nonprofit social service agency (as de-
6 fined in paragraph (9) of this subsection or section
7 1631(a)(2)(I)); or

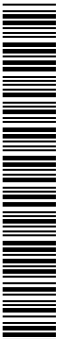
8 “(iii) the representative payee is an agency
9 (other than an agency described in clause (ii)) that
10 serves in that capacity with respect to 50 or more
11 such individuals.

12 “(B) Within 120 days after the end of each fiscal
13 year, the Commissioner shall submit to the Committee on
14 Ways and Means of the House of Representatives and the
15 Committee on Finance of the Senate a report on the re-
16 sults of periodic onsite reviews conducted during the fiscal
17 year pursuant to subparagraph (A). Each such report
18 shall describe in detail all problems identified in such re-
19 views and any corrective action taken or planned to be
20 taken to correct such problems, and shall include—

21 “(i) the number of such reviews,

22 “(ii) the results of such reviews,

23 “(iii) the number of cases in which the rep-
24 resentative payee was changed and why,



1 “(iv) the number of cases involving the exercise
2 of expedited, targeted oversight of the representative
3 payee by the Commissioner conducted upon receipt
4 of an allegation of misuse of funds, failure to pay a
5 vendor, or a similar irregularity,

6 “(v) the number of cases discovered in which
7 there was a misuse of funds,

8 “(vi) how any such cases of misuse of funds
9 were dealt with by the Commissioner,

10 “(vii) the final disposition of such cases of mis-
11 use of funds, including any criminal penalties im-
12 posed, and

13 “(viii) such other information as the Commis-
14 sioner deems appropriate.”.

15 (2) TITLE VIII AMENDMENT.—Section 807 of
16 such Act (as amended by section 101(b)(2) of this
17 Act) is amended further by adding at the end the
18 following new subsection:

19 “(k)(1) PERIODIC ONSITE REVIEW.—The Commis-
20 sioner of Social Security may provide for the periodic on-
21 site review of any person or agency that receives the bene-
22 fits payable under this title (alone or in combination with
23 benefits payable under title II or title XVI) to another in-
24 dividual pursuant to the appointment of such person or



1 agency as a representative payee under this section, sec-
2 tion 205(j), or section 1631(a)(2) in any case in which—

3 “(A) the representative payee is a person who
4 serves in that capacity with respect to 15 or more
5 such individuals; or

6 “(B) the representative payee is an agency that
7 serves in that capacity with respect to 50 or more
8 such individuals.

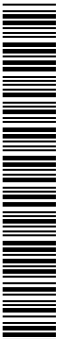
9 “(2) Within 120 days after the end of each fiscal
10 year, the Commissioner shall submit to the Committee on
11 Ways and Means of the House of Representatives and the
12 Committee on Finance of the Senate a report on the re-
13 sults of periodic onsite reviews conducted during the fiscal
14 year pursuant to paragraph (1). Each such report shall
15 describe in detail all problems identified in such reviews
16 and any corrective action taken or planned to be taken
17 to correct such problems, and shall include—

18 “(A) the number of such reviews,

19 “(B) the results of such reviews,

20 “(C) the number of cases in which the rep-
21 resentative payee was changed and why,

22 “(D) the number of cases involving the exercise
23 of expedited, targeted oversight of the representative
24 payee by the Commissioner conducted upon receipt



1 of an allegation of misuse of funds, failure to pay a
2 vendor, or a similar irregularity,

3 “(E) the number of cases discovered in which
4 there was a misuse of funds,

5 “(F) how any such cases of misuse of funds
6 were dealt with by the Commissioner,

7 “(G) the final disposition of such cases of mis-
8 use of funds, including any criminal penalties im-
9 posed, and

10 “(H) such other information as the Commis-
11 sioner deems appropriate.”.

12 (3) TITLE XVI AMENDMENT.—Section
13 1631(a)(2)(G) of such Act (42
14 U.S.C. 1383(a)(2)(G)) is amended to read as fol-
15 lows:

16 “(G)(i) The Commissioner of Social Security shall
17 provide for the periodic onsite review of any person or
18 agency that receives the benefits payable under this title
19 (alone or in combination with benefits payable under title
20 II or title VIII) to another individual pursuant to the ap-
21 pointment of the person or agency as a representative
22 payee under this paragraph, section 205(j), or section 807
23 in any case in which—



1 “(I) the representative payee is a person who
2 serves in that capacity with respect to 15 or more
3 such individuals;

4 “(II) the representative payee is a certified
5 community-based nonprofit social service agency (as
6 defined in subparagraph (I) of this paragraph or
7 section 205(j)(9)); or

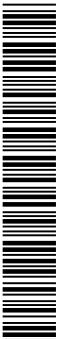
8 “(III) the representative payee is an agency
9 (other than an agency described in subclause (II))
10 that serves in that capacity with respect to 50 or
11 more such individuals.

12 “(ii) Within 120 days after the end of each fiscal
13 year, the Commissioner shall submit to the Committee on
14 Ways and Means of the House of Representatives and the
15 Committee on Finance of the Senate a report on the re-
16 sults of periodic onsite reviews conducted during the fiscal
17 year pursuant to clause (i). Each such report shall de-
18 scribe in detail all problems identified in the reviews and
19 any corrective action taken or planned to be taken to cor-
20 rect the problems, and shall include—

21 “(I) the number of the reviews,

22 “(II) the results of such reviews,

23 “(III) the number of cases in which the rep-
24 resentative payee was changed and why,



1 “(IV) the number of cases involving the exercise
2 of expedited, targeted oversight of the representative
3 payee by the Commissioner conducted upon receipt
4 of an allegation of misuse of funds, failure to pay a
5 vendor, or a similar irregularity,

6 “(V) the number of cases discovered in which
7 there was a misuse of funds,

8 “(VI) how any such cases of misuse of funds
9 were dealt with by the Commissioner,

10 “(VII) the final disposition of such cases of
11 misuse of funds, including any criminal penalties im-
12 posed, and

13 “(VIII) such other information as the Commis-
14 sioner deems appropriate.”.

15 **SEC. 103. DISQUALIFICATION FROM SERVICE AS REP-**
16 **RESENTATIVE PAYEE UPON CONVICTION OF**
17 **OFFENSES RESULTING IN IMPRISONMENT**
18 **FOR MORE THAN 1 YEAR AND UPON FUGI-**
19 **TIVE FELON STATUS.**

20 (a) TITLE II AMENDMENTS.—Section 205(j)(2) of
21 the Social Security Act (42 U.S.C. 405(j)(2)) is
22 amended—

23 (1) in subparagraph (B)(i)—

24 (A) by striking “and” at the end of sub-
25 clause (III);



1 (B) by redesignating subclause (IV) as
2 subclause (VI); and

3 (C) by inserting after subclause (III) the
4 following new subclauses:

5 “(IV) obtain information concerning whether
6 such person has been convicted of any other offense
7 under Federal or State law which resulted in impris-
8 onment for more than 1 year,

9 “(V) obtain information concerning whether
10 such person is a fugitive felon as described in section
11 1611(e)(4), and”.

12 (2) in subparagraph (C)(i)(II), by striking
13 “subparagraph (B)(i)(IV),” and inserting “subpara-
14 graph (B)(i)(VI)” and striking “section
15 1631(a)(2)(B)(ii)(IV)” and inserting “section
16 1631(a)(2)(B)(ii)(VI)”;

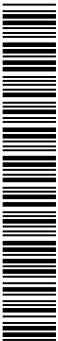
17 (3) in subparagraph (C)(i)—

18 (A) by striking “or” at the end of sub-
19 clause (II);

20 (B) by striking the period at the end of
21 subclause (III) and inserting a comma; and

22 (C) by adding at the end the following new
23 subclauses:

24 “(IV) such person has previously been convicted
25 as described in subparagraph (B)(i)(IV), unless the



1 Commissioner determines that such certification
2 would be appropriate notwithstanding such convic-
3 tion, or

4 “(V) such person is in fugitive felon status as
5 described in section 1611(e)(4).”.

6 (b) TITLE VIII AMENDMENTS.—Section 807 of such
7 Act (42 U.S.C. 1007) is amended—

8 (1) in subsection (b)(2)—

9 (A) by striking “and” at the end of sub-
10 paragraph (C);

11 (B) by redesignating subparagraph (D) as
12 subparagraph (F); and

13 (C) by inserting after subparagraph (C)
14 the following new subparagraphs:

15 “(D) obtain information concerning wheth-
16 er such person has been convicted of any other
17 offense under a law of the United States or of
18 any State of the United States which resulted
19 in imprisonment for more than 1 year;

20 “(E) obtain information concerning wheth-
21 er such person is a fugitive felon as described
22 in section 1611(e)(4); and”; and

23 (2) in subsection (d)(1)—

24 (A) by striking “or” at the end of subpara-
25 graph (B);



1 (B) by striking the period at the end of
2 subparagraph (C) and inserting a semicolon;
3 and

4 (C) by adding at the end the following new
5 subparagraphs:

6 “(D) such person has previously been con-
7 victed as described in subsection (b)(2)(D), un-
8 less the Commissioner determines that such
9 payment would be appropriate notwithstanding
10 such conviction; or

11 “(E) such person is in fugitive felon status
12 as described in section 1611(e)(4).”.

13 (c) TITLE XVI AMENDMENTS.—Section
14 1631(a)(2)(B) of such Act (42 U.S.C. 1383(a)(2)(B)) is
15 amended—

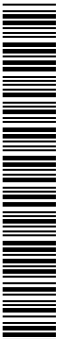
16 (1) in clause (ii)—

17 (A) by striking “and” at the end of sub-
18 clause (III);

19 (B) by redesignating subclause (IV) as
20 subclause (VI); and

21 (C) by inserting after subclause (III) the
22 following new subclauses:

23 “(IV) obtain information concerning whether
24 the person has been convicted of any other offense



1 under Federal or State law which resulted in impris-
2 onment for more than 1 year;

3 “(V) obtain information concerning whether
4 such person is a fugitive felon as described in section
5 1611(e)(4); and”;

6 (2) in clause (iii)(II)—

7 (A) by striking “clause (ii)(IV)” and in-
8 serting “clause (ii)(VI)”;

9 (B) by striking “section
10 205(j)(2)(B)(i)(IV)” and inserting “section
11 205(j)(2)(B)(i)(VI)”;

12 (3) in clause (iii)—

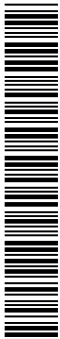
13 (A) by striking “or” at the end of sub-
14 clause (II);

15 (B) by striking the period at the end of sub-
16 clause (III) and inserting a semicolon; and

17 (C) by adding at the end the following new sub-
18 clauses:

19 “(IV) if the person has previously been con-
20 victed as described in clause (ii)(IV) of this subpara-
21 graph, unless the Commissioner determines that the
22 payment would be appropriate notwithstanding the
23 conviction; or

24 “(V) such person is in fugitive felon status as
25 described in section 1611(e)(4).”.



1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on the first day of the thir-
3 teenth month beginning after the date of the enactment
4 of this Act.

5 **SEC. 104. FEE FORFEITURE IN CASE OF BENEFIT MISUSE**
6 **BY REPRESENTATIVE PAYEES.**

7 (a) TITLE II AMENDMENTS.—Section 205(j)(4)(A)(i)
8 of the Social Security Act (42 U.S.C. 405(j)(4)(A)(i)) is
9 amended—

10 (1) in the first sentence, by striking “A” and
11 inserting “Except as provided in the next sentence,
12 a”; and

13 (2) in the second sentence, by striking “The
14 Secretary” and inserting the following:

15 “A qualified organization may not collect a fee from an
16 individual for any month with respect to which the Com-
17 missioner of Social Security or a court of competent juris-
18 diction has determined that the organization misused all
19 or part of the individual’s benefit, and any amount so col-
20 lected by the qualified organization for such month shall
21 be treated as a misused part of the individual’s benefit
22 for purposes of paragraphs (5) and (6). The Commis-
23 sioner”.



1 (b) TITLE XVI AMENDMENTS.—Section
2 1631(a)(2)(D)(i) of such Act (42
3 U.S.C. 1383(a)(2)(D)(i)) is amended—

4 (1) in the first sentence, by striking “A” and
5 inserting “Except as provided in the next sentence,
6 a”; and

7 (2) in the second sentence, by striking “The
8 Commissioner” and inserting the following: “A
9 qualified organization may not collect a fee from an
10 individual for any month with respect to which the
11 Commissioner of Social Security or a court of com-
12 petent jurisdiction has determined that the organiza-
13 tion misused all or part of the individual’s benefit,
14 and any amount so collected by the qualified organi-
15 zation for such month shall be treated as a misused
16 part of the individual’s benefit for purposes of sub-
17 paragraphs (E) and (F). The Commissioner”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to any month involving benefit mis-
20 use by a representative payee in any case with respect to
21 which the Commissioner makes the determination of mis-
22 use after December 31, 2002.



1 **SEC. 105. LIABILITY OF REPRESENTATIVE PAYEES FOR**
2 **MISUSED BENEFITS.**

3 (a) TITLE II AMENDMENTS.—Section 205(j) of the
4 Social Security Act (42 U.S.C. 405(j)) (as amended by
5 sections 101 and 102 of this Act) is amended further—

6 (1) by redesignating paragraphs (7), (8), and
7 (9) as paragraphs (8), (9), and (10), respectively;

8 (2) in paragraphs (2)(C)(v), (3)(F), and (4)(B),
9 by striking “paragraph (9)” and inserting “para-
10 graph (10)”;

11 (3) in paragraph (6)(A)(ii), by striking “para-
12 graph (9)” and inserting “paragraph (10)”; and

13 (4) by inserting after paragraph (6) the fol-
14 lowing new paragraph:

15 “(7)(A) If the Commissioner of Social Security or a
16 court of competent jurisdiction determines that a rep-
17 resentative payee that is not a Federal, State, or local gov-
18 ernment agency has misused all or part of an individual’s
19 benefit that was paid to such representative payee under
20 this subsection, the representative payee shall be liable for
21 the amount misused, and such amount (to the extent not
22 repaid by the representative payee) shall be treated as an
23 overpayment of benefits under this title to the representa-
24 tive payee for all purposes of this Act and related laws
25 pertaining to the recovery of such overpayments. Subject
26 to subparagraph (B), upon recovering all or any part of



1 such amount, the Commissioner shall certify an amount
2 equal to the recovered amount for payment to such indi-
3 vidual or such individual's alternative representative
4 payee.

5 “(B) The total of the amount certified for payment
6 to such individual or such individual's alternative rep-
7 resentative payee under subparagraph (A) of this para-
8 graph and the amount certified for payment under para-
9 graph (5) may not exceed the total benefit amount mis-
10 used by the representative payee with respect to such indi-
11 vidual.”.

12 (b) TITLE VIII AMENDMENT.—Section 807 of such
13 Act (as amended by section 102(b)(2)) is amended further
14 by adding at the end the following new subsection:

15 “(1) LIABILITY FOR MISUSED AMOUNTS.—

16 “(1) IN GENERAL.—If the Commissioner of So-
17 cial Security or a court of competent jurisdiction de-
18 termines that a representative payee that is not a
19 Federal, State, or local government agency has mis-
20 used all or part of an individual's benefit that was
21 paid to such representative payee under this section,
22 the representative payee shall be liable for the
23 amount misused, and such amount (to the extent
24 not repaid by the representative payee) shall be
25 treated as an overpayment of benefits under this



1 title to the representative payee for all purposes of
2 this Act and related laws pertaining to the recovery
3 of such overpayments. Subject to paragraph (2),
4 upon recovering all or any part of such amount, the
5 Commissioner shall make payment of an amount
6 equal to the recovered amount to such individual or
7 such individual's alternative representative payee.

8 “(2) LIMITATION.—The total of the amount
9 paid to such individual or such individual's alter-
10 native representative payee under paragraph (1) of
11 this subsection and the amount paid under sub-
12 section (i) may not exceed the total benefit amount
13 misused by the representative payee with respect to
14 such individual.”.

15 (c) TITLE XVI AMENDMENTS.—Section 1631(a)(2)
16 of such Act (42 U.S.C. 1383(a)(2)) (as amended by sec-
17 tion 102 of this Act) is amended further—

18 (1) in subparagraph (G)(i)(II), by striking
19 “paragraph (9)” and inserting “paragraph (10)”;
20 and

21 (2) by striking subparagraph (H) and inserting
22 the following:

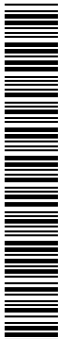
23 “(H)(i) If the Commissioner of Social Security or a
24 court of competent jurisdiction determines that a rep-
25 resentative payee that is not a Federal, State, or local gov-



1 ernment agency has misused all or part of an individual's
2 benefit that was paid to the representative payee under
3 this paragraph, the representative payee shall be liable for
4 the amount misused, and the amount (to the extent not
5 repaid by the representative payee) shall be treated as an
6 overpayment of benefits under this title to the representa-
7 tive payee for all purposes of this Act and related laws
8 pertaining to the recovery of the overpayments. Subject
9 to clause (ii), upon recovering all or any part of the
10 amount, the Commissioner shall make payment of an
11 amount equal to the recovered amount to such individual
12 or such individual's alternative representative payee.

13 “(ii) The total of the amount paid to such individual
14 or such individual's alternative representative payee under
15 clause (i) of this subparagraph and the amount paid under
16 subparagraph (E) may not exceed the total benefit amount
17 misused by the representative payee with respect to such
18 individual.”.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to benefit misuse by a representa-
21 tive payee in any case with respect to which the Commis-
22 sioner makes the determination of misuse after December
23 31, 2002.



1 **SEC. 106. AUTHORITY TO REDIRECT DELIVERY OF BENEFIT**
2 **PAYMENTS WHEN A REPRESENTATIVE PAYEE**
3 **FAILS TO PROVIDE REQUIRED ACCOUNTING.**

4 (a) TITLE II AMENDMENTS.—Section 205(j)(3) of
5 the Social Security Act (42 U.S.C. 405(j)(3)) is
6 amended—

7 (1) by redesignating subparagraphs (E) and
8 (F) as subparagraphs (F) and (G), respectively; and

9 (2) by inserting after subparagraph (D) the fol-
10 lowing new subparagraph:

11 “(E) In any case in which the person described in
12 subparagraph (A) or (D) receiving payments on behalf of
13 another fails to submit a report required by the Commis-
14 sioner of Social Security under subparagraph (A) or (D),
15 the Commissioner may, after furnishing notice to such
16 person and the individual entitled to such payment, re-
17 quire that such person appear in person at a field office
18 of the Social Security Administration serving the area in
19 which the individual resides in order to receive such pay-
20 ments.”.

21 (b) TITLE VIII AMENDMENTS.—Section 807(h) of
22 such Act (42 U.S.C. 1007(h)) is amended—

23 (1) by redesignating paragraphs (3) and (4) as
24 paragraphs (4) and (5), respectively; and

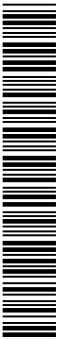
25 (2) by inserting after paragraph (2) the fol-
26 lowing new paragraph:



1 “(3) AUTHORITY TO REDIRECT DELIVERY OF
2 BENEFIT PAYMENTS WHEN A REPRESENTATIVE
3 PAYEE FAILS TO PROVIDE REQUIRED ACCOUNT-
4 ING.—In any case in which the person described in
5 paragraph (1) or (2) receiving benefit payments on
6 behalf of a qualified individual fails to submit a re-
7 port required by the Commissioner of Social Secu-
8 rity under paragraph (1) or (2), the Commissioner
9 may, after furnishing notice to such person and the
10 qualified individual, require that such person appear
11 in person at a United States Government facility
12 designated by the Social Security Administration as
13 serving the area in which the qualified individual re-
14 sides in order to receive such benefit payments.”.

15 (c) TITLE XVI AMENDMENT.—Section
16 1631(a)(2)(C) of such Act (42 U.S.C. 1383(a)(2)(C)) is
17 amended by adding at the end the following new clause:

18 “(v) In any case in which the person described in
19 clause (i) or (iv) receiving payments on behalf of another
20 fails to submit a report required by the Commissioner of
21 Social Security under clause (i) or (iv), the Commissioner
22 may, after furnishing notice to the person and the indi-
23 vidual entitled to the payment, require that such person
24 appear in person at a field office of the Social Security



1 Administration serving the area in which the individual
2 resides in order to receive such payments.”.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall take effect 180 days after the date of
5 the enactment of this Act.

6 **Subtitle B—Enforcement**

7 **SEC. 111. CIVIL MONETARY PENALTY AUTHORITY WITH RE-** 8 **SPECT TO WRONGFUL CONVERSIONS BY REP-** 9 **RESENTATIVE PAYEES.**

10 (a) IN GENERAL.—Section 1129(a) of the Social Se-
11 curity Act (42 U.S.C. 1320a–8) is amended by adding at
12 the end the following new paragraph:

13 “(3) Any person (including an organization, agency,
14 or other entity) who, having received, while acting in the
15 capacity of a representative payee pursuant to section
16 205(j), 807, or 1631(a)(2), a payment under title II, VIII,
17 or XVI for the use and benefit of another individual, con-
18 verts such payment, or any part thereof, to a use that
19 such person knows or should know is other than for the
20 use and benefit of such other individual shall be subject
21 to, in addition to any other penalties that may be pre-
22 scribed by law, a civil money penalty of not more than
23 \$5,000 for each such conversion. Such person shall also
24 be subject to an assessment, in lieu of damages sustained
25 by the United States resulting from the conversion, of not



1 more than twice the amount of any payments so con-
2 verted.”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply with respect to violations com-
5 mitted after the date of the enactment of this Act.

6 **TITLE II—PROGRAM** 7 **PROTECTIONS**

8 **SEC. 201. CIVIL MONETARY PENALTY AUTHORITY WITH RE-**
9 **SPECT TO KNOWING WITHHOLDING OF MATE-**
10 **RIAL FACTS.**

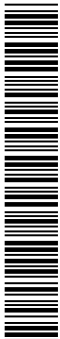
11 (a) TREATMENT OF WITHHOLDING OF MATERIAL
12 FACTS.—

13 (1) CIVIL PENALTIES.—Section 1129(a)(1) of
14 the Social Security Act (42 U.S.C. 1320a–8(a)(1))
15 is amended—

16 (A) by striking “who” in the first sentence
17 and inserting “who—”;

18 (B) by striking “makes” in the first sen-
19 tence and all that follows through “shall be sub-
20 ject to” and inserting the following:

21 “(A) makes, or causes to be made, a statement
22 or representation of a material fact, for use in deter-
23 mining any initial or continuing right to or the
24 amount of monthly insurance benefits under title II
25 or benefits or payments under title VIII or XVI,



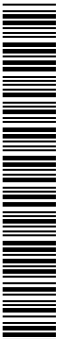
1 that the person knows or should know is false or
2 misleading,

3 “(B) makes such a statement or representation
4 for such use with knowing disregard for the truth,
5 or

6 “(C) omits from a statement or representation
7 for such use, or otherwise withholds disclosure of, a
8 fact which the individual knows or should know is
9 material to the determination of any initial or con-
10 tinuing right to or the amount of monthly insurance
11 benefits under title II or benefits or payments under
12 title VIII or XVI, if the individual knows, or should
13 know, that the statement or representation with
14 such omission is false or misleading or that the with-
15 holding of such disclosure is misleading,
16 shall be subject to”;

17 (C) by inserting “or each receipt of such
18 benefits or payments while withholding disclo-
19 sure of such fact” after “each such statement
20 or representation” in the first sentence;

21 (D) by inserting “or because of such with-
22 holding of disclosure of a material fact” after
23 “because of such statement or representation”
24 in the second sentence; and



1 (E) by inserting “or such a withholding of
2 disclosure” after “such a statement or rep-
3 resentation” in the second sentence.

4 (2) ADMINISTRATIVE PROCEDURE FOR IMPOS-
5 ING PENALTIES.—Section 1129A(a) of such Act (42
6 U.S.C. 1320a–8a(a)) is amended in the first
7 sentence—

8 (A) by striking “who” and inserting
9 “who—”; and

10 (B) by striking “makes” and all that fol-
11 lows through “shall be subject to,” and insert-
12 ing the following:

13 “(1) makes, or causes to be made, a statement
14 or representation of a material fact, for use in deter-
15 mining any initial or continuing right to or the
16 amount of monthly insurance benefits under title II
17 or benefits or payments under title VIII or XVI that
18 the person knows or should know is false or mis-
19 leading,

20 “(2) makes such a statement or representation
21 for such use with knowing disregard for the truth,
22 or

23 “(3) omits from a statement or representation
24 for such use, or otherwise withholds disclosure of, a
25 fact which the individual knows or should know is



1 material to the determination of any initial or con-
2 tinuing right to or the amount of monthly insurance
3 benefits under title II or benefits or payments under
4 title VIII or XVI, if the individual knows, or should
5 know, that the statement or representation with
6 such omission is false or misleading or that the with-
7 holding of such disclosure is misleading,
8 shall be subject to,”.

9 (b) CLARIFICATION OF TREATMENT OF RECOVERED
10 AMOUNTS.—Section 1129(e)(2)(B) of such Act (42
11 U.S.C. 1320a–8(e)(2)(B)) is amended by striking “In the
12 case of amounts recovered arising out of a determination
13 relating to title VIII or XVI,” and inserting “In the case
14 of any other amounts recovered under this section,”.

15 (c) CONFORMING AMENDMENTS.—

16 (1) Section 1129(b)(3)(A) of such Act (42
17 U.S.C. 1320a–8(b)(3)(A)) is amended by striking
18 “charging fraud or false statements”.

19 (2) Section 1129(c)(1) of such Act (42
20 U.S.C. 1320a–8(c)(1)) is amended by striking “and
21 representations” and inserting “, representations, or
22 actions”.

23 (3) Section 1129(e)(1)(A) of such Act (42
24 U.S.C. 1320a–8(e)(1)(A)) is amended by striking
25 “statement or representation referred to in sub-



1 section (a) was made” and inserting “violation oc-
2 curred”.

3 (d) EFFECTIVE DATES.—The amendments made by
4 this section shall apply with respect to violations com-
5 mitted after the date of the enactment of this Act.

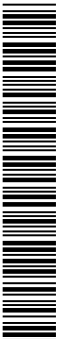
6 **SEC. 202. DISQUALIFICATION FROM ELIGIBILITY FOR**
7 **TRIAL WORK PERIOD UPON CRIMINAL, CIVIL,**
8 **OR ADMINISTRATIVE FINDING OF FRAUDU-**
9 **LENT CONCEALMENT OF WORK ACTIVITY.**

10 (a) IN GENERAL.—Section 222(c) of the Social Secu-
11 rity Act (42 U.S.C. 422(c)) is amended by adding at the
12 end the following new paragraph:

13 “(5) Effective upon the date of any final determina-
14 tion (after any applicable notice and opportunity for hear-
15 ing) by a Federal court or by a Federal agency (including
16 any final determination in a proceeding to determine
17 whether to impose a civil monetary penalty under this
18 Act), that an individual has fraudulently concealed work
19 activity from the Commissioner of Social Security—

20 “(A) any ongoing period of trial work for such
21 individual under this subsection shall end with the
22 end of the preceding month,

23 “(B) such individual shall have no period of
24 trial work thereafter in connection with any entitle-



1 ment of such individual under section 223, 202(d),
2 202(e), or 202(f),

3 “(C) such individual shall not be eligible for any
4 subsequent waiver of adjustment of benefits or other
5 form of recovery applicable in connection with any
6 payment to such individual of more than the correct
7 amount under section 223, 202(d), 202(e), or 202(f)
8 by reason of such concealment, and

9 “(D) amounts otherwise due under this title as
10 restitution, penalties, assessments, fines, or other re-
11 payments shall in all cases be in addition to any
12 amounts for which such individual is liable as over-
13 payments by reason of such concealment.”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply with respect to work activity per-
16 formed after the date of the enactment of this Act.

17 **SEC. 203. DENIAL OF TITLE II BENEFITS TO FUGITIVE FEL-**
18 **ONS AND PERSONS FLEEING PROSECUTION.**

19 (a) IN GENERAL.—Section 202(x) of the Social Secu-
20 rity Act (42 U.S.C. 402(x)) is amended—

21 (1) in the heading, by striking “Prisoners” and
22 all that follows and inserting the following: “Pris-
23 oners, Certain Other Inmates of Publicly Funded In-
24 stitutions, and Fugitives”;



1 (2) in paragraph (1)(A)(ii)(IV), by striking
2 “or” at the end;

3 (3) in paragraph (1)(A)(iii), by striking the pe-
4 riod at the end and inserting a comma;

5 (4) by inserting after paragraph (1)(A)(iii) the
6 following:

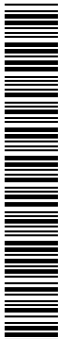
7 “(iv) is fleeing to avoid prosecution, or custody
8 or confinement after conviction, under the laws of
9 the place from which the person flees, for an offense
10 punishable by imprisonment for more than 1 year
11 under the laws of the place from which the person
12 flees, or

13 “(v) is violating a condition of probation or pa-
14 role imposed under Federal or State law.

15 In the case of an individual from whom such monthly ben-
16 efits have been withheld pursuant to clause (iv), the Com-
17 missioner may, for good cause shown, pay such withheld
18 benefits to the individual.”; and

19 (5) in paragraph (3), by adding at the end the
20 following new subparagraph:

21 “(C) Notwithstanding the provisions of section 552a
22 of title 5, United States Code, or any other provision of
23 Federal or State law (other than section 6103 of the Inter-
24 nal Revenue Code of 1986 and section 1106(c) of this
25 Act), the Commissioner shall furnish any Federal, State,



1 or local law enforcement officer, upon the written request
2 of the officer, with the current address, Social Security
3 number, and photograph (if applicable) of any beneficiary
4 under this title, if the officer furnishes the Commissioner
5 with the name of the beneficiary, and other identifying in-
6 formation as reasonably required by the Commissioner to
7 establish the unique identity of the beneficiary, and noti-
8 fies the Commissioner that—

9 “(i) the beneficiary—

10 “(I) is described in clause (iv) or (v) of
11 paragraph (1)(A); and

12 “(II) has information that is necessary for
13 the officer to conduct the officer’s official du-
14 ties; and

15 “(ii) the location or apprehension of the bene-
16 ficiary is within the officer’s official duties.”.

17 **SEC. 204. REQUIREMENTS RELATING TO OFFERS TO PRO-**
18 **VIDE FOR A FEE A PRODUCT OR SERVICE**
19 **AVAILABLE WITHOUT CHARGE FROM THE SO-**
20 **CIAL SECURITY ADMINISTRATION.**

21 (a) IN GENERAL.—Section 1140 of the Social Secu-
22 rity Act (42 U.S.C. 1320b–10) is amended—

23 (1) in subsection (a), by adding at the end the
24 following new paragraph:



1 “(4)(A) No person shall offer, for a fee, to assist an
2 individual to obtain a product or service that the person
3 knows or should know is provided free of charge by the
4 Social Security Administration unless, at the time the
5 offer is made, the person provides to the individual to
6 whom the offer is tendered a notice that—

7 “(i) explains that the product or service is avail-
8 able free of charge from the Social Security Admin-
9 istration, and

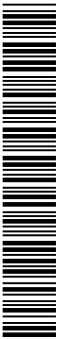
10 “(ii) complies with standards prescribed by the
11 Commissioner of Social Security respecting content
12 of such notice and its placement, visibility, and leg-
13 ibility.

14 “(B) Subparagraph (A) shall not apply to any offer—

15 “(i) to serve as a claimant representative in
16 connection with a claim arising under title II, title
17 VIII, or title XVI; or

18 “(ii) to prepare, or assist in the preparation of,
19 an individual’s plan for achieving self-support under
20 title XVI.”; and

21 (2) in the heading, by striking “PROHIBITION
22 OF MISUSE OF SYMBOLS, EMBLEMS, OR NAMES IN
23 REFERENCE” and inserting “PROHIBITIONS RELAT-
24 ING TO REFERENCES”.



1 b) EFFECTIVE DATE.—The amendments made by this
2 section shall apply to offers of assistance made after the
3 sixth month ending after the Commissioner of Social Secu-
4 rity promulgates final regulations prescribing the stand-
5 ards applicable to the notice required to be provided in
6 connection with such offer. The Commissioner shall pro-
7 mulgate such final regulations within one year after the
8 date of the enactment of this Act.

9 **SEC. 205. REFUSAL TO RECOGNIZE CERTAIN INDIVIDUALS**

10 **AS CLAIMANT REPRESENTATIVES.**

11 Section 206(a)(1) of the Social Security Act (42
12 U.S.C. 406(a)(1)) is amended by inserting after the sec-
13 ond sentence the following: “Notwithstanding the pre-
14 ceding sentences, the Commissioner (A) may refuse to rec-
15 ognize as a representative, and may disqualify a represent-
16 ative already recognized, any attorney who has been dis-
17 barred or suspended from any court or bar to which he
18 or she was previously admitted to practice or who has been
19 disqualified from participating in or appearing before any
20 Federal program or agency, and (B) may refuse to recog-
21 nize, and may disqualify, as a non-attorney representative
22 any attorney who has been disbarred or suspended from
23 any court or bar to which he or she was previously admit-
24 ted to practice. A representative who has been disqualified
25 or suspended pursuant to this section from appearing be-



1 fore the Social Security Administration as a result of col-
2 lecting or receiving a fee in excess of the amount author-
3 ized shall be barred from appearing before the Social Se-
4 curity Administration as a representative until full restitue-
5 tion is made to the claimant and, thereafter, may be con-
6 sidered for reinstatement only under such rules as the
7 Commissioner may prescribe.”.

8 **SEC. 206. PENALTY FOR CORRUPT OR FORCIBLE INTER-**
9 **FERENCE WITH ADMINISTRATION OF SOCIAL**
10 **SECURITY ACT.**

11 Part A of title XI of the Social Security Act (42
12 U.S.C. 1301 et seq.) is amended by inserting after section
13 1134 the following new section:

14 “ATTEMPTS TO INTERFERE WITH ADMINISTRATION OF
15 SOCIAL SECURITY ACT

16 “SEC. 1135. CORRUPT OR FORCIBLE INTER-
17 FERENCE.—whoever corruptly or by force or threats of
18 force (including any threatening letter or communication)
19 attempts to intimidate or impede any officer, employee,
20 or contractor of the social security administration (includ-
21 ing any State employee of a disability determination serv-
22 ice or any other individual designated by the commissioner
23 of social security) acting in an official capacity to carry
24 out a duty under this act, or in any other way corruptly
25 or by force or threats of force (including any threatening
26 letter or communication) obstructs or impedes, or at-



1 tempts to obstruct or impede, the due administration of
2 this act, shall be fined not more than \$5,000, imprisoned
3 not more than 3 years, or both, except that if the offense
4 is committed only by threats of force, the person shall be
5 fined not more than \$3,000, imprisoned not more than
6 1 year, or both. In this subsection, the term ‘threats of
7 force’ means threats of harm to the officer or employee
8 of the United States or to a member of the family of such
9 an officer or employee.”.

10 **TITLE III—ATTORNEY FEE PAY-**
11 **MENT SYSTEM IMPROVE-**
12 **MENTS**

13 **SEC. 301. CAP ON ATTORNEY ASSESSMENTS.**

14 Section 206(d)(2)(A) of the Social Security Act (42
15 U.S.C. 406(d)(2)(A)) is amended by inserting “, except
16 that the maximum amount of the assessment may not ex-
17 ceed \$100” after “subparagraph (B)”.

18 **SEC. 302. EXTENSION OF ATTORNEY FEE PAYMENT SYSTEM**
19 **TO TITLE XVI CLAIMS.**

20 Section 1631(d)(2) of the Social Security Act (42
21 U.S.C. 1383(d)(2)) is amended—

22 (1) in the matter in subparagraph (A) pre-
23 ceding clause (i)—

24 (A) by striking “section 206(a)” and in-
25 serting “section 206”;



1 (B) by striking “(other than paragraph (4)
2 thereof)” and inserting “(other than sub-
3 sections (a)(4) and (d) thereof); and

4 (C) by striking “paragraph (2) thereof”
5 and inserting “such section”;

6 (2) in subparagraph (A)(i), by striking “in sub-
7 paragraphs (A)(ii)(I) and (C)(i),” and inserting “in
8 subparagraphs (A)(ii)(I) and (D)(i) of subsection
9 (a)(2)”, and by striking “and” at the end;

10 (3) by striking subparagraph (A)(ii) and insert-
11 ing the following:

12 “(ii) by substituting, in subsections (a)(2)(B)
13 and (b)(1)(B)(i), the phrase ‘section 1631(a)(7)(A)
14 or the requirements of due process of law’ for the
15 phrase ‘subsection (g) or (h) of section 223’;

16 “(iii) by substituting, in subsection (a)(2)(C)(i),
17 the phrase ‘under title II’ for the phrase ‘under title
18 XVI’;

19 “(iv) by substituting, in subsection (b)(1)(A),
20 the phrase ‘pay the amount of such fee’ for the
21 phrase ‘certify the amount of such fee for payment’
22 and by striking, in subsection (b)(1)(A), the phrase
23 ‘or certified for payment’; and

24 “(v) by substituting, in subsection (b)(1)(B)(ii),
25 the phrase ‘deemed to be such amounts as deter-

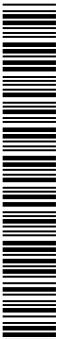


1 mined before any applicable reduction under section
2 1631(g), and reduced by the amount of any reduc-
3 tion in benefits under this title or title II made pur-
4 suant to section 1127(a)' for the phrase 'determined
5 before any applicable reduction under section
6 1127(a))'."; and

7 (4) by striking subparagraph (B) and inserting
8 the following new subparagraphs:

9 “(B) Subject to subparagraph (C), if the claimant is
10 determined to be entitled to past-due benefits under this
11 title and the person representing the claimant is an attor-
12 ney, the Commissioner of Social Security shall pay out of
13 such past-due benefits (as determined before any applica-
14 ble reduction under section 1631(g), and reduced by the
15 amount of any reduction in benefits under this title or title
16 II made pursuant to section 1127(a)) to such attorney an
17 amount equal to so much of the maximum fee as does
18 not exceed 25 percent of such past-due benefits (as so de-
19 termined and so reduced).

20 “(C)(i) Whenever a fee for services is required to be
21 paid to an attorney from a claimant's past-due benefits
22 pursuant to subparagraph (B), the Commissioner shall
23 impose on the attorney an assessment calculated in ac-
24 cordance with clause (ii).



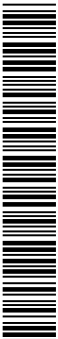
1 “(ii)(I) The amount of an assessment under clause
2 (i) shall be equal to the product obtained by multiplying
3 the amount of the representative’s fee that would be re-
4 quired to be paid by subparagraph (B) before the applica-
5 tion of this subparagraph, by the percentage specified in
6 subclause (II), except that the maximum amount of the
7 assessment may not exceed \$100.

8 “(II) The percentage specified in this subclause is
9 such percentage rate as the Commissioner determines is
10 necessary in order to achieve full recovery of the costs of
11 determining and approving fees to attorneys from the
12 past-due benefits of claimants, but not in excess of 6.3
13 percent.

14 “(iii) The Commissioner may collect the assessment
15 imposed on an attorney under clause (i) by offset from
16 the amount of the fee otherwise required by subparagraph
17 (B) to be paid to the attorney from a claimant’s past-due
18 benefits.

19 “(iv) An attorney subject to an assessment under
20 clause (i) may not, directly or indirectly, request or other-
21 wise obtain reimbursement for such assessment from the
22 claimant whose claim gave rise to the assessment.

23 “(v) Assessments on attorneys collected under this
24 subparagraph shall be deposited in the Treasury in a sepa-
25 rate fund created for this purpose.



1 “(vi) The assessments authorized under this subpara-
2 graph shall be collected and available for obligation only
3 to the extent and in the amount provided in advance in
4 appropriations Acts. Amounts so appropriated are au-
5 thorized to remain available until expended, for adminis-
6 trative expenses in carrying out this title and related
7 laws.”.

8 **SEC. 303. EFFECTIVE DATE OF TITLE.**

9 The amendments made by this title shall apply with
10 respect to fees for representation of claimants which are
11 first required to be certified or paid under section 206 or
12 1631(d)(2) of the Social Security Act after 180 days after
13 the date of the enactment of this Act.

14 **TITLE IV—MISCELLANEOUS AND**
15 **TECHNICAL AMENDMENTS**

16 **Subtitle A—Amendments Relating**
17 **to the Ticket to Work and Work**
18 **Incentives Improvement Act of**
19 **1999**

20 **SEC. 401. APPLICATION OF DEMONSTRATION AUTHORITY**

21 **SUNSET DATE TO NEW PROJECTS.**

22 Section 234 of the Social Security Act (42
23 U.S.C. 434) is amended—

24 (1) in the first sentence of subsection (c), by
25 striking “conducted under subsection (a)” and in-



1 serting “initiated under subsection (a) on or before
2 December 17, 2004”; and

3 (2) in subsection (d)(2), by amending the first
4 sentence to read as follows: “The authority to ini-
5 tiate projects under the preceding provisions of this
6 section shall terminate on December 18, 2004.”.

7 **SEC. 402. EXPANSION OF WAIVER AUTHORITY AVAILABLE**
8 **IN CONNECTION WITH DEMONSTRATION**
9 **PROJECTS PROVIDING FOR REDUCTIONS IN**
10 **DISABILITY INSURANCE BENEFITS BASED ON**
11 **EARNINGS.**

12 Section 302(c) of the Ticket to Work and Work In-
13 centives Improvement Act of 1999 (42 U.S.C. 434 note)
14 is amended by striking “(42 U.S.C. 401 et seq.),” and
15 inserting “(42 U.S.C. 401 et seq.) and the requirements
16 of section 1148 of such Act (42 U.S.C. 1320b–19) as they
17 relate to the program established under title II of such
18 Act,”.

19 **SEC. 403. FUNDING OF DEMONSTRATION PROJECTS PRO-**
20 **VIDED FOR REDUCTIONS IN DISABILITY IN-**
21 **SURANCE BENEFITS BASED ON EARNINGS.**

22 Section 302(f) of the Ticket to Work and Work In-
23 centives Improvement Act of 1999 (42 U.S.C. 434 note)
24 is amended to read as follows:



1 “(f) EXPENDITURES.—Administrative expenses for
2 demonstration projects under this section shall be paid
3 from funds available for the administration of title II or
4 title XVIII of the Social Security Act, as appro-
5 priate. Benefits payable to or on behalf of individuals by
6 reason of participation in projects under this section shall
7 be made from the Federal Disability Insurance Trust
8 Fund and the Federal Old-Age and Survivors Insurance
9 Trust Fund, as determined appropriate by the Commis-
10 sioner of Social Security, and from the Federal Hospital
11 Insurance Trust Fund and the Federal Supplementary
12 Medical Insurance Trust Fund, as determined appropriate
13 by the Secretary of Health and Human Services, from
14 funds available for benefits under such title II or title
15 XVIII.”.

16 **SEC. 404. AVAILABILITY OF FEDERAL AND STATE WORK IN-**
17 **CENTIVE SERVICES TO ADDITIONAL INDIVID-**
18 **UALS.**

19 (a) FEDERAL WORK INCENTIVES OUTREACH PRO-
20 GRAM.—

21 (1) IN GENERAL.—Section 1149(c)(2) of the
22 Social Security Act (42 U.S.C. 1320b–20(c)(2)) is
23 amended to read as follows:

24 “(2) DISABLED BENEFICIARY.—the term ‘dis-
25 abled beneficiary’ means an individual—



1 “(A) who is a disabled beneficiary as de-
2 fined in section 1148(k)(2) of this Act;

3 “(B) who is receiving a cash payment de-
4 scribed in section 1616(a) of this Act or a sup-
5plementary payment described in section
6 212(a)(3) of Public Law 93–66 (without regard
7 to whether such payment is paid by the Com-
8missioner pursuant to an agreement under sec-
9tion 1616(a) of this Act or under section
10 212(b) of Public Law 93–66);

11 “(C) who, pursuant to section 1619(b) of
12 this Act, is considered to be receiving benefits
13 under title XVI of this Act; or

14 “(D) who is entitled to benefits under part
15 A of title XVIII of this Act by reason of the pe-
16nultimate sentence of section 226(b) of this
17 Act.”.

18 (2) EFFECTIVE DATE.—The amendment made
19 by this subsection shall apply with respect to grants,
20 cooperative agreements, or contracts entered into on
21 or after the date of the enactment of this Act.

22 (b) STATE GRANTS FOR WORK INCENTIVES ASSIST-
23 ANCE.—



1 (1) IN GENERAL.—Section 1150(g)(2) of such
2 Act (42 U.S.C. 1320b–21(g)(2)) is amended to read
3 as follows:

4 “(2) DISABLED BENEFICIARY.—the term ‘dis-
5 abled beneficiary’ means an individual—

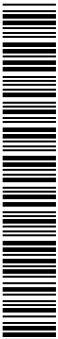
6 “(A) who is a disabled beneficiary as de-
7 fined in section 1148(k)(2) of this Act;

8 “(B) who is receiving a cash payment de-
9 scribed in section 1616(a) of this Act or a sup-
10 plementary payment described in section
11 212(a)(3) of Public Law 93–66 (without regard
12 to whether such payment is paid by the Com-
13 missioner pursuant to an agreement under sec-
14 tion 1616(a) of this Act or under section
15 212(b) of Public Law 93–66);

16 “(C) who, pursuant to section 1619(b) of
17 this Act, is considered to be receiving benefits
18 under title XVI of this Act; or

19 “(D) who is entitled to benefits under part
20 A of title XVIII of this Act by reason of the pe-
21 nultimate sentence of section 226(b) of this
22 Act.”.

23 (2) EFFECTIVE DATE.—The amendment made
24 by this subsection shall apply with respect to pay-



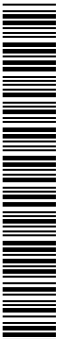
1 ments provided after the date of the enactment of
2 this Act.

3 **SEC. 405. TECHNICAL AMENDMENT CLARIFYING TREAT-**
4 **MENT FOR CERTAIN PURPOSES OF INDIV-**
5 **IDUAL WORK PLANS UNDER THE TICKET TO**
6 **WORK AND SELF-SUFFICIENCY PROGRAM.**

7 (a) IN GENERAL.—Section 1148(g)(1) of the Social
8 Security Act (42 U.S.C. 1320b–19) is amended by adding
9 at the end, after and below subparagraph (E), the fol-
10 lowing new sentence:

11 “An individual work plan established pursuant to
12 this subsection shall be treated, for purposes of sec-
13 tion 51(d)(6)(B)(i) of the Internal Revenue Code of
14 1986, as an individualized written plan for employ-
15 ment under a State plan for vocational rehabilitation
16 services approved under the Rehabilitation Act of
17 1973.”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 subsection (a) shall take effect as if included in section
20 505 of the Ticket to Work and Work Incentives Improve-
21 ment Act of 1999 (Public Law 106-170; 113 Stat. 1921).



1 **Subtitle B—Miscellaneous**
2 **Amendments**

3 **SEC. 411. ELIMINATION OF TRANSCRIPT REQUIREMENT IN**
4 **REMAND CASES FULLY FAVORABLE TO THE**
5 **CLAIMANT.**

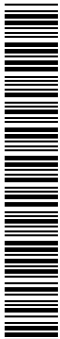
6 (a) IN GENERAL.—Section 205(g) of the Social Secu-
7 rity Act (42 U.S.C. 405(g)) is amended in the sixth sen-
8 tence by striking “and a transcript” and inserting “and,
9 in any case in which the Commissioner has not made a
10 decision fully favorable to the individual, a transcript”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 this section shall apply with respect to final determina-
13 tions issued (upon remand) on or after the date of the
14 enactment of this Act.

15 **SEC. 412. NONPAYMENT OF BENEFITS UPON REMOVAL**
16 **FROM THE UNITED STATES.**

17 (a) IN GENERAL.—Paragraphs (1) and (2) of section
18 202(n) of the Social Security Act (42 U.S.C. 402(n)(1),
19 (2)) are each amended by striking “or (1)(E)”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section to section 202(n)(1) of the Social Security Act
22 shall apply to individuals with respect to whom the Com-
23 missioner of Social Security receives a removal notice from
24 the Attorney General after the date of the enactment of
25 this Act. The amendment made by this section to section



1 202(n)(2) of the Social Security Act shall apply with re-
2 spect to removals occurring after the date of the enact-
3 ment of this Act.

4 **SEC. 413. REINSTATEMENT OF CERTAIN REPORTING RE-**
5 **QUIREMENTS.**

6 Section 3003(a)(1) of the Federal Reports Elimini-
7 nation and Sunset Act of 1995 (31 U.S.C. 1113 note)
8 does not apply to any report required to be submitted
9 under any of the following provisions of law:

10 (1)(A) Section 201(c)(2) of the Social Security
11 Act (42 U.S.C. 401(c)(2)).

12 (B) Section 1817(b)(2) of the Social Security
13 Act (42 U.S.C. 1395i(b)(2)).

14 (C) Section 1841(b)(2) of the Social Security
15 Act (42 U.S.C. 1395t(b)(2)).

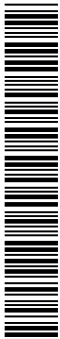
16 (2)(A) Section 221(c)(3)(C) of the Social Secu-
17 rity Act (42 U.S.C. 421(c)(3)(C)).

18 (B) Section 221(i)(3) of the Social Security Act
19 (42 U.S.C. 421(i)(3)).

20 (C) Section 103(d)(2) of the Senior Citizens'
21 Right to Work Act of 1996 (42 U.S.C. 401 note).

22 **SEC. 414. USE OF SYMBOLS, EMBLEMS, OR NAMES IN REF-**
23 **ERENCE TO SOCIAL SECURITY OR MEDICARE.**

24 (a) IN GENERAL.—Section 1140(a)(1) of the Social
25 Security Act (42 U.S.C. 1320b–10(a)(1)) is amended—



1 (1) in subparagraph (A), by inserting “ ‘Cent-
2 ters for Medicare & Medicaid Services’,” after
3 “ ‘Health Care Financing Administration’,” by
4 striking “or ‘Medicaid’, ” and inserting “ ‘Med-
5 icaid’, ‘Death Benefits Update’, ‘Federal Benefit In-
6 formation’, ‘Funeral Expenses’, or ‘Final Supple-
7 mental Plan’,” and by inserting “ ‘CMS’,” after
8 “ ‘HCFA’,”;

9 (2) in subparagraph (B), by inserting “Centers
10 for Medicare & Medicaid Services,” after “Health
11 Care Financing Administration,” each place it ap-
12 pears; and

13 (3) in the matter following subparagraph (B),
14 by striking “the Health Care Financing Administra-
15 tion,” each place it appears and inserting “the Cen-
16 ters for Medicare & Medicaid Services,”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to items sent after the sixth month
19 ending after the Commissioner of Social Security promul-
20 gates final regulations prescribing the standards applica-
21 ble to the explicit statements required to be provided in
22 connection with such items. The Commissioner shall pro-
23 mulgate such final regulations within one year after the
24 date of the enactment of this Act.



1 **SEC. 415. CLARIFICATION OF DEFINITIONS REGARDING**
2 **CERTAIN SURVIVOR BENEFITS.**

3 (a) WIDOWS.—Section 216(c) of the Social Security
4 Act (42 U.S.C. 416(c)) is amended—

5 (1) by redesignating subclauses (A) through (C)
6 of clause (6) as subclauses (i) through (iii), respec-
7 tively;

8 (2) by redesignating clauses (1) through (6) as
9 clauses (A) through (F), respectively;

10 (3) in clause (E) (as redesignated), by inserting
11 “except as provided in paragraph (2),” before “she
12 was married”;

13 (4) by inserting “(1)” after “(c)”; and

14 (5) by adding at the end the following new
15 paragraph:

16 “(2) The requirements of paragraph (1)(E) in con-
17 nection with the surviving wife of an individual shall be
18 treated as satisfied if—

19 “(A) the individual had been married prior to
20 the individual’s marriage to the surviving wife,

21 “(B) the prior wife was institutionalized during
22 the individual’s marriage to the prior wife due to
23 mental incompetence or similar incapacity,

24 “(C) during the period of the prior wife’s insti-
25 tutionalization, the individual would have divorced
26 the prior wife and married the surviving wife, but



1 the individual did not do so because such divorce
2 would have been unlawful, by reason of the prior
3 wife's institutionalization, under the laws of the
4 State in which the individual was domiciled at the
5 time (as determined based on evidence satisfactory
6 to the Commissioner of Social Security),

7 “(D) the prior wife continued to remain institu-
8 tionalized up to the time of her death, and

9 “(E) the individual married the surviving wife
10 within 60 days after prior wife's death.”.

11 (b) WIDOWERS.—Section 216(g) of such Act (42
12 U.S.C. 416(g)) is amended—

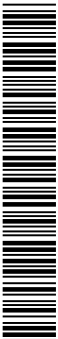
13 (1) by redesignating subclauses (A) through (C)
14 of clause (6) as subclauses (i) through (iii), respec-
15 tively;

16 (2) by redesignating clauses (1) through (6) as
17 clauses (A) through (F), respectively;

18 (3) in clause (E) (as redesignated), by inserting
19 “except as provided in paragraph (2),” before “he
20 was married”;

21 (4) by inserting “(1)” after “(g)”; and

22 (5) by adding at the end the following new
23 paragraph:



1 “(2) The requirements of paragraph (1)(E) in con-
2 nection with the surviving husband of an individual shall
3 be treated as satisfied if—

4 “(A) the individual had been married prior to
5 the individual’s marriage to the surviving husband,

6 “(B) the prior husband was institutionalized
7 during the individual’s marriage to the prior hus-
8 band due to mental incompetence or similar inca-
9 pacity,

10 “(C) during the period of the prior husband’s
11 institutionalization, the individual would have di-
12 vorced the prior husband and married the surviving
13 husband, but the individual did not do so because
14 such divorce would have been unlawful, by reason of
15 the prior husband’s institutionalization, under the
16 laws of the State in which the individual was domi-
17 ciled at the time (as determined based on evidence
18 satisfactory to the Commissioner of Social Security),

19 “(D) the prior husband continued to remain in-
20 stitutionalized up to the time of his death, and

21 “(E) the individual married the surviving hus-
22 band within 60 days after prior husband’s death.”.

23 (b) EFFECTIVE DATE.—The amendments made by
24 this section shall be effective with respect to applications
25 for benefits under title II of the Social Security Act filed



1 during months ending after the date of the enactment of
2 this Act.

3 **SEC. 416. OPTIONAL METHODS FOR COMPUTING NET EARN-**
4 **INGS FROM SELF-EMPLOYMENT.**

5 (a) AMENDMENTS TO THE INTERNAL REVENUE
6 CODE OF 1986.—

7 (1) IN GENERAL.—Section 1402(h) of the In-
8 ternal Revenue Code of 1986 is amended to read as
9 follows:

10 “(h) OPTIONAL METHOD FOR COMPUTING NET
11 EARNINGS FROM SELF-EMPLOYMENT.—

12 “(1) INDIVIDUALS.—In the case of any trade or
13 business which is carried on by an individual—

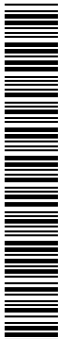
14 “(A) if the gross income derived by the in-
15 dividual from such trade or business is not
16 more than the upper limit for the taxable year
17 and the net earnings from self-employment de-
18 rived by the individual from such trade or busi-
19 ness (computed under subsection (a) without
20 regard to this sentence) are less than $66\frac{2}{3}$ per-
21 cent of such gross income, the net earnings
22 from self-employment derived by the individual
23 from such trade or business may, at the individ-
24 ual’s option, be deemed to be $66\frac{2}{3}$ percent of
25 such gross income, or



1 “(B) if the gross income derived by the in-
2 dividual from such trade or business is more
3 than the upper limit for the taxable year and
4 the net earnings from self-employment derived
5 by the individual from such trade or business
6 (computed under subsection (a) without regard
7 to this sentence) are less than the lower limit
8 for the taxable year, the net earnings from self-
9 employment derived by the individual from such
10 trade or business may, at the individual’s op-
11 tion, be deemed to be the lower limit for the
12 taxable year.

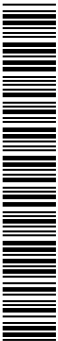
13 “(2) MEMBER OF A PARTNERSHIP.—In the case
14 of a member of a partnership carrying on any trade
15 or business—

16 “(A) if the member’s distributive share of
17 the gross income of the partnership derived
18 from such trade or business (after such gross
19 income has been reduced by the sum of all pay-
20 ments to which section 707(c) applies) is not
21 more than the upper limit for the taxable year
22 and the member’s distributive share (whether or
23 not distributed) of income described in section
24 702(a)(8) derived from such trade or business
25 (computed under this subsection without regard



1 to this sentence) is less than $66\frac{2}{3}$ percent of
2 the member's distributive share of such gross
3 income (after such gross income has been so re-
4 duced), the member's distributive share of in-
5 come described in section 702(a)(8) derived
6 from such trade or business may, at the mem-
7 ber's option, be deemed to be an amount equal
8 to $66\frac{2}{3}$ percent of the member's distributive
9 share of such gross income (after such gross in-
10 come has been so reduced), or

11 “(B) if the member's distributive share of
12 the gross income of the partnership derived
13 from such trade or business (after such gross
14 income has been reduced by the sum of all pay-
15 ments to which section 707(c) applies) is more
16 than the upper limit for the taxable year and
17 the member's distributive share (whether or not
18 distributed) of income described in section
19 702(a)(8) derived from such trade or business
20 (computed under this subsection without regard
21 to this sentence) is less than the lower limit for
22 the taxable year, the member's distributive
23 share of income described in section 702(a)(8)
24 derived from such trade or business may, at the



1 member's option, be deemed to be the lower
2 limit for the taxable year.

3 “(3) UPPER AND LOWER LIMITS.—For pur-
4 poses of this subsection—

5 “(A) LOWER LIMIT.—The lower limit for
6 any taxable year is the sum of the amounts re-
7 quired under section 213(d) of the Social Secu-
8 rity Act for a quarter of coverage in effect with
9 respect to each calendar quarter ending with or
10 within such taxable year.

11 “(B) UPPER LIMIT.—The upper limit for
12 any taxable year is the amount equal to 150
13 percent of the lower limit for such taxable year.

14 “(4) DETERMINATION OF GROSS INCOME.—For
15 purposes of this subsection, the term ‘gross income’
16 means—

17 “(A) in the case of any trade or business
18 in which the income is computed under a cash
19 receipts and disbursements method, the gross
20 receipts from such trade or business reduced by
21 the cost or other basis of property which was
22 purchased and sold in carrying on such trade or
23 business, adjusted (after such reduction) in ac-
24 cordance with the provisions of paragraphs (1)



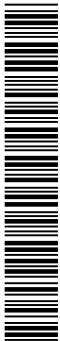
1 through (7) and paragraph (9) of subsection
2 (a), and

3 “(B) in the case of any trade or business
4 in which the income is computed under an ac-
5 crual method, the gross income from such trade
6 or business, adjusted in accordance with the
7 provisions of paragraphs (1) through (7) and
8 paragraph (9) of subsection (a).

9 “(5) INCOME DERIVED FROM MORE THAN ONE
10 TRADE OR BUSINESS.—For purposes of this sub-
11 section, if an individual (including a member of a
12 partnership) derives gross income from more than
13 one such trade or business, such gross income (in-
14 cluding his distributive share of the gross income of
15 any partnership derived from any such trade or
16 business) shall be deemed to have been derived from
17 one trade or business.

18 “(6) ELECTION.—The option under this sub-
19 section shall be allowed for any taxable year only if
20 elected on the first return filed for such taxable
21 year”.

22 (2) CONFORMING AMENDMENT.—Section
23 1402(a) of such Code is amended by striking all that
24 follows the first sentence following paragraph (15)
25 and inserting “For optional method of determining



1 net earnings from self-employment, see subsection
2 (h).”.

3 (b) AMENDMENTS TO THE SOCIAL SECURITY ACT.—

4 (1) IN GENERAL.—Section 211(g) of the Social
5 Security Act (42 U.S.C. 411(g)) is amended to read
6 as follows:

7 “Optional Method for Computing Net Earnings From
8 Self-Employment

9 “(g)(1) In the case of any trade or business which
10 is carried on by an individual—

11 “(A) if the gross income derived by the indi-
12 vidual from such trade or business is not more than
13 the upper limit for the taxable year and the net
14 earnings from self-employment derived by the indi-
15 vidual from such trade or business (computed under
16 subsection (a) without regard to this sentence) are
17 less than $66\frac{2}{3}$ percent of such gross income, the net
18 earnings from self-employment derived by the indi-
19 vidual from such trade or business may, at the indi-
20 vidual’s option, be deemed to be $66\frac{2}{3}$ percent of
21 such gross income, or

22 “(B) if the gross income derived by the indi-
23 vidual from such trade or business is more than the
24 upper limit for the taxable year and the net earnings
25 from self-employment derived by the individual from



1 such trade or business (computed under subsection
2 (a) without regard to this sentence) are less than the
3 lower limit for the taxable year, the net earnings
4 from self-employment derived by the individual from
5 such trade or business may, at the individual's op-
6 tion, be deemed to be the lower limit for the taxable
7 year.

8 “(2) In the case of a member of a partnership car-
9 rying on any trade or business—

10 “(A) if the member's distributive share of the
11 gross income of the partnership derived from such
12 trade or business (after such gross income has been
13 reduced by the sum of all payments to which section
14 707(c) of the Internal Revenue Code of 1986 ap-
15 plies) is not more than the upper limit for the tax-
16 able year and the member's distributive share
17 (whether or not distributed) of income described in
18 section 702(a)(8) of such Code derived from such
19 trade or business (computed under this subsection
20 without regard to this sentence) is less than $66\frac{2}{3}$
21 percent of the member's distributive share of such
22 gross income (after such gross income has been so
23 reduced), the member's distributive share of income
24 described in section 702(a)(8) derived from such
25 trade or business may, at the member's option, be



1 deemed to be an amount equal to $66\frac{2}{3}$ percent of
2 the member's distributive share of such gross income
3 (after such gross income has been so reduced), or

4 “(B) if the member's distributive share of the
5 gross income of the partnership derived from such
6 trade or business (after such gross income has been
7 reduced by the sum of all payments to which section
8 707(c) of such Code applies) is more than the upper
9 limit for the taxable year and the member's distribu-
10 tive share (whether or not distributed) of income de-
11 scribed in section 702(a)(8) of such Code derived
12 from such trade or business (computed under this
13 subsection without regard to this sentence) is less
14 than the lower limit for the taxable year, the mem-
15 ber's distributive share of income described in sec-
16 tion 702(a)(8) of such Code derived from such trade
17 or business may, at the member's option, be deemed
18 to be the lower limit for the taxable year.

19 “(3) For purposes of this subsection—

20 “(A) The lower limit for any taxable year is the
21 sum of the amounts required under section 213(d)
22 for a quarter of coverage in effect with respect to
23 each calendar quarter ending with or within such
24 taxable year.



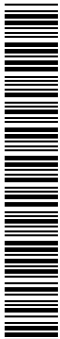
1 “(B) The upper limit for any taxable year is the
2 amount equal to 150 percent of the lower limit for
3 such taxable year.

4 “(4) For purposes of this subsection, the term ‘gross
5 income’ means—

6 “(A) in the case of any trade or business in
7 which the income is computed under a cash receipts
8 and disbursements method, the gross receipts from
9 such trade or business reduced by the cost or other
10 basis of property which was purchased and sold in
11 carrying on such trade or business, adjusted (after
12 such reduction) in accordance with the provisions of
13 paragraphs (1) through (6) and paragraph (8) of
14 subsection (a), and

15 “(B) in the case of any trade or business in
16 which the income is computed under an accrual
17 method, the gross income from such trade or busi-
18 ness, adjusted in accordance with the provisions of
19 paragraphs (1) through (6) and paragraph (8) of
20 subsection (a).

21 “(5) For purposes of this subsection, if an individual
22 (including a member of a partnership) derives gross in-
23 come from more than one such trade or business, such
24 gross income (including his distributive share of the gross
25 income of any partnership derived from any such trade



1 or business) shall be deemed to have been derived from
2 one trade or business.

3 “(6) The option under this subsection shall be al-
4 lowed for any taxable year only if elected in accordance
5 with the provisions of section 1402(h) of the Internal Rev-
6 enue Code of 1986.”.

7 (2) CONFORMING AMENDMENTS.—

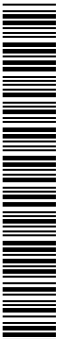
8 (A) Section 211(a) of such Act (42 U.S.C.
9 411(a)) is amended by striking all that follows
10 the first sentence following paragraph (15) and
11 inserting “For optional method of determining
12 net earnings from self-employment, see sub-
13 section (g).”.

14 (B) Section 212 of such Act (42 U.S.C.
15 412) is amended—

16 (i) in subsection (b), by striking
17 “For” and inserting “Except as provided
18 in subsection (c), for”; and

19 (ii) by adding at the end the following
20 new subsection:

21 “(c) For the purpose of determining average indexed
22 monthly earnings, average monthly wage, and quarters of
23 coverage in the case of any individual who elects the option
24 described in paragraph (1)(B) or (2)(B) of section 211(g)
25 for any taxable year that does not begin with or during

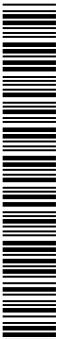


1 a particular calendar year and end with or during such
2 year, the self-employment income of such individual
3 deemed to be derived during such taxable year shall be
4 allocated to the two calendar years, portions of which are
5 included within such taxable year, in the same proportion
6 to the total of such deemed self-employment income as the
7 sum of the amounts applicable under section 213(d) for
8 the calendar quarters ending with or within each such cal-
9 endar year bears to the lower limit for such taxable year
10 specified in section 211(g)(3)(A).”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 the date of the enactment of this Act.

14 **SEC. 417. CLARIFICATION RESPECTING THE FICA AND**
15 **SECA TAX EXEMPTIONS FOR AN INDIVIDUAL**
16 **WHOSE EARNINGS ARE SUBJECT TO THE**
17 **LAWS OF A TOTALIZATION AGREEMENT**
18 **PARTNER.**

19 Sections 1401(c), 3101(c), and 3111(c) of the Inter-
20 nal Revenue Code of 1986 are each amended by striking
21 “to taxes or contributions for similar purposes under” and
22 inserting “exclusively to the laws applicable to”.



1 **Subtitle C—Technical Amendments**

2 **SEC. 431. TECHNICAL CORRECTION RELATING TO RESPON-** 3 **SIBLE AGENCY HEAD.**

4 Section 1143 of the Social Security Act (42
5 U.S.C. 1320b–13) is amended—

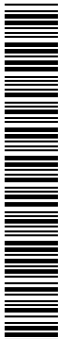
6 (1) by striking “Secretary” the first place it ap-
7 pears and inserting “Commissioner of Social Secu-
8 rity”; and

9 (2) by striking “Secretary” each subsequent
10 place it appears and inserting “Commissioner”.

11 **SEC. 432. TECHNICAL CORRECTION RELATING TO RETIRE-** 12 **MENT BENEFITS OF MINISTERS.**

13 (a) IN GENERAL.—Section 211(a)(7) of the Social
14 Security Act (42 U.S.C. 411(a)(7)) is amended by insert-
15 ing “, but shall not include in any such net earnings from
16 self-employment the rental value of any parsonage or any
17 parsonage allowance (whether or not excluded under sec-
18 tion 107 of the Internal Revenue Code of 1986) provided
19 after the individual retires, or any other retirement benefit
20 received by such individual from a church plan (as defined
21 in section 414(e) of such Code) after the individual re-
22 tires” before the semicolon.

23 (b) EFFECTIVE DATE.—The amendment made by
24 this section shall apply to years beginning before, on, or
25 after December 31, 1994.



1 **SEC. 433. TECHNICAL CORRECTIONS RELATING TO DOMES-**
2 **TIC EMPLOYMENT.**

3 (a) AMENDMENT TO INTERNAL REVENUE CODE.—
4 Section 3121(a)(7)(B) of the Internal Revenue Code of
5 1986 is amended by striking “described in subsection
6 (g)(5)” and inserting “on a farm operated for profit”.

7 (b) AMENDMENT TO SOCIAL SECURITY ACT.—Sec-
8 tion 209(a)(6)(B) of the Social Security Act (42
9 U.S.C. 409(a)(6)(B)) is amended by striking “described
10 in section 210(f)(5)” and inserting “on a farm operated
11 for profit”.

12 (c) CONFORMING AMENDMENT.—Section 3121(g)(5)
13 of such Code and section 210(f)(5) of such Act (42
14 U.S.C. 410(f)(5)) are amended by striking “or is domes-
15 tic service in a private home of the employer”.

16 **SEC. 434. TECHNICAL CORRECTIONS OF OUTDATED REF-**
17 **ERENCES.**

18 (a) CORRECTION OF TERMINOLOGY AND CITATIONS
19 RESPECTING REMOVAL FROM THE UNITED STATES.—
20 Section 202(n) of the Social Security Act (42
21 U.S.C. 402(n)) is amended—

22 (1) by striking “deportation” each place it ap-
23 pears and inserting “removal”;

24 (2) by striking “deported” each place it appears
25 and inserting “removed”;



1 (3) in paragraph (1) (in the matter preceding
2 subparagraph (A)), by striking “under section
3 241(a) (other than under paragraph (1)(C) or
4 (1)(E) thereof)” and inserting “under section 237(a)
5 (other than paragraph (1)(C) or (1)(E) thereof) or
6 212(a)(6)(A)”;

7 (4) in paragraph (2), by striking “under any of
8 the paragraphs of section 241(a) of the Immigration
9 and Nationality Act (other than under paragraph
10 (1)(C) or (1)(E) thereof)” and inserting “under any
11 of the paragraphs of section 237(a) of the Immigra-
12 tion and Nationality Act (other than paragraph
13 (1)(C) or (1)(E) thereof) or under section
14 212(a)(6)(A) of such Act”;

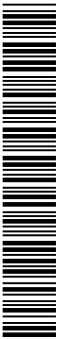
15 (5) in paragraph (3)—

16 (A) by striking “paragraph (19) of section
17 241(a)” and inserting “subparagraph (D) of
18 section 237(a)(4)”;

19 (B) by striking “paragraph (19)” and in-
20 serting “subparagraph (D)”;

21 (6) in the heading, by striking “Deportation”
22 and inserting “Removal”.

23 (b) CORRECTION OF CITATION RESPECTING THE
24 TAX DEDUCTION RELATING TO HEALTH INSURANCE
25 COSTS OF SELF-EMPLOYED INDIVIDUALS.—Section



1 211(a)(15) of such Act (42 U.S.C. 411(a)(15)) is amend-
2 ed by striking “section 162(m)” and inserting “section
3 162(l)”.

4 (c) ELIMINATION OF REFERENCE TO OBSOLETE 20-
5 DAY AGRICULTURAL WORK TEST.—Section 3102(a) of
6 the Internal Revenue Code of 1986 is amended by striking
7 “and the employee has not performed agricultural labor
8 for the employer on 20 days or more in the calendar year
9 for cash remuneration computed on a time basis”.

10 **SEC. 435. TECHNICAL CORRECTION RESPECTING SELF-EM-**
11 **PLOYMENT INCOME IN COMMUNITY PROP-**
12 **ERTY STATES.**

13 (a) SOCIAL SECURITY ACT AMENDMENT.—Section
14 211(a)(5)(A) of the Social Security Act (42
15 U.S.C. 411(a)(5)(A)) is amended by striking “all of the
16 gross income” and all that follows and inserting “the gross
17 income and deductions attributable to such trade or busi-
18 ness shall be treated as the gross income and deductions
19 of the spouse carrying on such trade or business or, if
20 such trade or business is jointly operated, treated as the
21 gross income and deductions of each spouse on the basis
22 of their respective distributive share of the gross income
23 and deductions;”.

24 (b) INTERNAL REVENUE CODE OF 1986 AMEND-
25 MENT.—Section 1402(a)(5)(A) of the Internal Revenue



1 Code of 1986 is amended by striking “all of the gross in-
2 come” and all that follows and inserting “the gross income
3 and deductions attributable to such trade or business shall
4 be treated as the gross income and deductions of the
5 spouse carrying on such trade or business or, if such trade
6 or business is jointly operated, treated as the gross income
7 and deductions of each spouse on the basis of their respec-
8 tive distributive share of the gross income and deductions;
9 and”.

